

**ASSEMBLY BILL**

**No. 1672**

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**Introduced by Assembly Members Nation and Richman**

February 22, 2005

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An act to add Section 684 to the Business and Professions Code, to add Sections 1250.06, 1348.5, 1378.1, and 123149.1 to the Health and Safety Code, and to add Section 10119.1 to the Insurance Code, relating to health care.

LEGISLATIVE COUNSEL'S DIGEST

AB 1672, as introduced, Nation. Electronic recordkeeping systems.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a violation of the act a crime. Existing law also provides for the licensure and regulation of health insurers by the Department of Insurance and for the licensure and regulation of health facilities by the State Department of Health Services, other than psychiatric health facilities, which are licensed by the State Department of Mental Health. Under existing law, a violation of the provisions regulating health facilities is a crime.

This bill would require, before January 1, 2010, health facilities, health insurers, and health care service plans to record all health care information, as defined, they obtain in an electronic recordkeeping system. The bill would also impose this requirement on healing arts practitioners but would delay their compliance date to January 1, 2012. The bill would make health facilities and practitioners eligible for an increase in the amount of their Medi-Cal reimbursement upon complete implementation of the electronic recordkeeping system. The bill would require the Department of Managed Health Care to develop

standards before January 1, 2007, for the electronic recordkeeping system. The bill would create the California Patient Safety and Information Technology Fund that would be administered by the State Department of Health Services and would authorize the department to allocate revenue in the fund, upon appropriation by the Legislature, for financial assistance in developing electronic recordkeeping systems.

Because the bill would specify additional requirements for health facilities and health care service plans, the violation of which would be a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. This act shall be known as the Patient Safety  
2 and Information Technology Act.

3 SEC. 2. The Legislature finds and declares all of the  
4 following:

5 (a) Implementation of electronic recordkeeping systems for  
6 medical records by hospitals, health insurers, health care service  
7 plans, and health care providers will improve treatment outcomes  
8 by creating a foundation for the development of evidence-based  
9 medicine and will save lives by ensuring health care providers  
10 timely access to important medical information about their  
11 patient.

12 (b) By transitioning to an electronic recordkeeping system for  
13 medical records, California's health care system will realize  
14 billions of dollars in savings over the long term.

15 SEC. 3. Section 684 is added to the Business and Professions  
16 Code, to read:

17 684. (a) A person licensed under this division shall, before  
18 January 1, 2012, record all health care information obtained in

1 his or her practice in an electronic recordkeeping system. "Health  
2 care information" means \_\_\_\_.

3 (b) The electronic recordkeeping system shall comply with all  
4 state and federal privacy requirements.

5 (c) A patient or former patient shall be allowed to access his or  
6 her health care information that is maintained in the electronic  
7 recordkeeping system pursuant to Chapter 1 (commencing with  
8 Section 123100) of Part 1 of Division 106 of the Health and  
9 Safety Code.

10 (d) Upon implementing an electronic recordkeeping system  
11 that stores all health care information obtained in his or her  
12 practice, the licensee shall be eligible for an increase of \_\_\_\_  
13 percent in the amount of reimbursement received under the  
14 Medi-Cal program (Chapter 7 (commencing with Section 14000)  
15 of Part 3 of Division 9 of the Welfare and Institutions Code), if  
16 the licensee is an enrolled provider.

17 SEC. 4. Section 1250.06 is added to the Health and Safety  
18 Code, to read:

19 1250.06. (a) Notwithstanding any other provision of law, a  
20 health facility shall, before January 1, 2010, record all health care  
21 information obtained regarding its patients admitted to the  
22 facility in an electronic recordkeeping system. "Health care  
23 information" means \_\_\_\_.

24 (b) The electronic recordkeeping system shall comply with all  
25 state and federal privacy requirements.

26 (c) A patient or former patient shall be allowed to access his or  
27 her health care information that is maintained in the electronic  
28 recordkeeping system pursuant to Chapter 1 (commencing with  
29 Section 123100) of Part 1 of Division 106.

30 (d) Upon implementing an electronic recordkeeping system  
31 that stores all health care information, the facility shall be eligible  
32 for an increase of \_\_\_\_ percent in the amount of reimbursement  
33 received under the Medi-Cal program (Chapter 7 (commencing  
34 with Section 14000) of Part 3 of Division 9 of the Welfare and  
35 Institutions Code), if the facility is an enrolled provider.

36 SEC. 5. Section 1348.5 is added to the Health and Safety  
37 Code, to read:

38 1348.5. The department shall develop standards before  
39 January 1, 2007, for electronic recordkeeping systems for health

1 care information to ensure uniformity in their content, operation,  
2 and their Internet access. “Health care information” means \_\_\_\_.

3 SEC. 6. Section 1378.1 is added to the Health and Safety  
4 Code, to read:

5 1378.1. (a) A health care service plan shall, before January 1,  
6 2010, record all health care information obtained regarding its  
7 enrollees in an electronic recordkeeping system. “Health care  
8 information” means \_\_\_\_.

9 (b) The electronic recordkeeping system shall comply with all  
10 state and federal privacy requirements.

11 (c) An enrollee or former enrollee shall be allowed to access  
12 his or her health care information maintained in the electronic  
13 recordkeeping system pursuant to Chapter 1 (commencing with  
14 Section 123100) of Part 1 of Division 106.

15 SEC. 7. Section 123149.1 is added to the Health and Safety  
16 Code, to read:

17 123149.1. (a) The California Patient Safety and Information  
18 Technology Infrastructure Fund is hereby established in the State  
19 Treasury.

20 (b) The fund shall be administered by the State Department of  
21 Health Services.

22 (c) The revenue in the fund, upon appropriation by the  
23 Legislature, shall be allocated by the department to provide  
24 low-interest loans and other financial assistance to health  
25 facilities, health insurers, health care service plans, and persons  
26 licensed under the provisions of Division 2 (commencing with  
27 Section 500) of the Business and Professions Code for the  
28 development of an electronic recordkeeping system for health  
29 care information. “Health care information” means \_\_\_\_.

30 SEC. 8. Section 10119.1 is added to the Insurance Code, to  
31 read:

32 10119.1. (a) A health insurer shall, before January 1, 2010,  
33 record all health care information obtained regarding its insureds  
34 in an electronic recordkeeping system. “Health care information”  
35 means \_\_\_\_.

36 (b) The electronic recordkeeping system shall comply with all  
37 state and federal privacy requirements.

38 (c) An insured or former insured shall be allowed to access his  
39 or her health care information maintained in the electronic  
40 recordkeeping system pursuant to Chapter 1 (commencing with

1 Section 123100) of Part 1 of Division 106 of the Health and  
2 Safety Code.

3 SEC. 9. No reimbursement is required by this act pursuant to  
4 Section 6 of Article XIII B of the California Constitution because  
5 the only costs that may be incurred by a local agency or school  
6 district will be incurred because this act creates a new crime or  
7 infraction, eliminates a crime or infraction, or changes the  
8 penalty for a crime or infraction, within the meaning of Section  
9 17556 of the Government Code, or changes the definition of a  
10 crime within the meaning of Section 6 of Article XIII B of the  
11 California Constitution.

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